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3-15-11

MEMORANDUM OF AGREEMENT

Between

EVANSVILLE WESTERN RAILWAY, INC.

and

BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION  
Of the International Brotherhood of Teamsters

The Collective Bargaining Agreement effective December 30, 2005 is amended as follows:

1. Rule 21 (a) is changed by replacing \$37.00 with \$39.00, with a further increase to \$40.00 effective January 1, 2012.

2. Rule 29(a) is revised to read as follows:

(a) Effective January 1, 2011, the Carrier shall provide employees and their eligible dependents the level of hospital, surgical, medical, prescription, and dental benefits, as provided by the Carrier's current summary plan description, subject to the levels listed on Attachment "A".

3. Rule 36 is eliminated in its entirety.

4. Rule 37 is eliminated and replaced by the following:

The basic hourly rates of pay on the effective date of this Agreement as reflected in Appendix 1 shall be increased as follows:

January 1, 2011	Per Appendix 1
January 1, 2012	3.0%
January 1, 2013	3.0%
January 1, 2014	3.0%
January 1, 2015	3.0%

5. The section titled EFFECT OF AGREEMENT will be changed to read as follows:

(a) This Agreement shall become effective on April 1, 2011, and shall remain in effect until and unless changed under the provisions of the Railway Labor Act, as amended, or by mutual consent of parties signatory hereto.

(b) The parties signatory hereto shall not serve nor progress prior to July 1, 2015 (not to become effective prior to January 1, 2016, any notice or proposal for changing any provision contained herein.

(c) The provisions under Paragraph (b) above shall not bar the Carrier and Organization from agreeing upon any subject of mutual interest.

6. Appendix 1 is deleted and replaced with Appendix 1 attached hereto.

7. Appendix 9 is modified to the extent that Paragraph (i) is revised to read as follows:

- (i) This rule shall be applicable between January 1, 2011 and December 31, 2015. As of January 1, 2016, it will no longer be in effect and the provisions of Appendix 8 shall apply.

8. Attachment "A" is deleted and replaced with Attachment "A" attached hereto.


9. Attachment "B" is changed by replacing \$43.00 with \$66.00.

10. Side Letter 3 is revised to the extent that Paragraph (f) will be changed to replace \$37.00 with \$39.00, with a further increase to \$40.00 effective January 1, 2012.

11. Side Letter 5 is agreed to and attached hereto.

12. This Memorandum of Agreement is entered into this 15th day of March, 2011.

FOR THE ORGANIZATION:

  
\_\_\_\_\_  
Dennis R. Albers, General Chairman  
Allied Federation, BMWED-IBT

FOR THE CARRIER:

  
\_\_\_\_\_  
G. I. James, VP Transportation & Labor

**APPENDIX 1**

**PROJECTED AGREEMENT POSITIONS – MAINTENANCE OF WAY**

<u>POSITION</u>	<u>PAY CLASS</u>	<u>RATE PER HOUR</u>
Trackmen.....	III .....	\$ 21.85
Heavy Machine Operator .....	IV .....	\$ 23.16
Track Foreman .....	V .....	\$ 24.72
Track Inspector (A) .....	VI .....	\$ 26.46

- (a) The position of Track Inspector listed on Appendix 1 herein is exempt from Rules 6, 7, 8, 9, 15, and 16.

Employees included within the scope of this Agreement shall perform all work in connection with the construction, maintenance, repair, and dismantling of track, road beds, structure facilities, and appurtenances related thereto, located on the right of way and used in the operation of the Carrier in the performance of common carrier service.

## ATTACHMENT "A"

The benefit levels of the current health and welfare agreement will remain in full force and effect subject to the following changes and/or amendments provided for in this ATTACHMENT "A".

(a) The employee's monthly pre-tax contribution rate of \$100.00 per month shall be increased to \$150.00 per month effective January 1, 2011.

(b) The PPO Plan requires employees to utilize providers within the network of the Plan. If an employee chooses to utilize a provider outside of the network, such employee will be subject to penalties requiring the employee to pay 40% of the covered charges and the Plan shall pay 60%. Employees utilizing network providers will pay twenty (20%) percent of the covered charges and the Plan shall pay eighty (80%) percent.

(c) Employees shall be required to meet an annual deductible as follows:

	<u>01/01/11</u>
<b>IN NETWORK:</b>	
1. Individual	\$600.00
2. Family	\$1,200.00
<b>OUT OF NETWORK</b>	
1. Individual	\$1,200.00
2. Family	\$2,400.00

(d) Prescription Drugs: An employee shall be required to utilize the prescription drug plan provided in the agreement. The new co-payment for the drugs is as follows:

<b>RETAIL (LESS THAN 30 DAYS SUPPLY)</b>	<u>01/01/11</u>
1. Generic (formulary)	\$25.00
2. Brand Name (formulary)	\$35.00
3. Brand Name (non-formulary)	\$45.00
<b>MAIL ORDER (90 DAY SUPPLY)</b>	<u>01/01/11</u>
Generic	\$40.00
Brand Name Formulary	\$60.00
Brand Name Non-Formulary	\$80.00

**OUT OF POCKET LIMITS:**

**IN NETWORK**

**01/01/011**

**Individual**

**\$1,500.00**

**Family**

**\$3,000.00**

**OUT OF NETWORK**

**Individual**

**\$3,000.00**

**Family**

**\$6,000.00**

March 15, 2011

Mr. Dennis R. Albers  
General Chairman  
Brotherhood of Maintenance  
of Way Employees  
111 Imperial Blvd., C-300  
Hendersonville, TN 37075

Dear Mr. Albers:

This is to confirm the understanding reached by the parties during labor negotiations on March 15, 2011, regarding changes in the health care benefits and co-pays as set forth in Attachment "A" to this agreement.

It was understood and agreed that the changes set forth in Attachment "A" will only become effective when such changes are implemented for all employees of the Carrier.

Please indicate your concurrence in the space provided.

Yours truly,

R. A. Buchanan  
General Manager

AGREED:



Dennis R. Albers, General Chairman